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Is Cooperation of Sociologists and Economists Possible and if so When?

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Abstract

The article investigates number of areas that could attract interest of both economists and sociologists. The 'Variety of Capitalism' concept is employed as the point of departure for the discussion on diversity of national economic models within the European Union (EU) with the particular emphasis on the trajectory of Poland's economic development since 1989. Acknowledging the fact that there are mixed economies in the modern world, is the key to opening a new field of debate and research. The author argues that the issues discussed in his article should be the subject of multi-angled approach exercised by scholars representing various branches of social science.

1. Not a Paradigm, but Pragmatism

I was happy to learn about the seminar-dialogue between economists and sociologists organized by the Chair of Economic Sociology of the Warsaw School of Economics (SGH). From the very beginning I had doubts, however, if the subject of the dialogue has been chosen well. The organizers wanted to discuss 'the most basic methodological issues in economics and sociology'. Economists who 'are leaving the neoclassical

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paradigm and the theory of rational choice that is grounded in it' and – admittedly – are far from sociological deliberations became the sociologists' addressees. Therefore, as a compromise they suggested to take on the concept of socioeconomics by Amitai Etzioni, one of the main theoreticians of communitarianism, as the starting point for the discussion. The success was then preconditioned by 'neoclassicists' will to open up for a revision. And this assumption completely failed. None of the economists sited the American communitarianist. Neither comes to my mind any publication that would show such inclinations. This could not have succeeded because Polish economists are not acquainted enough with either the Etzioni concept itself or communitarianism, which aims at reconciling individualism with community thus challenging one of the canons of mainstream economics.

An actual dialogue is difficult because economics based on the neoclassical paradigm has generated a highly sublime and complicated research apparatus that sociologists absolutely do not know how to discuss. I will remind you that even one of the pioneers of neoclassical economics in Poland, Prof. Edward Lipiński would say as early as the 1960s that he should stop to be the chief-editor of quarterly journal *Ekonomista*, since he is unable to understand at least half of contributions.

We should realize that the mainstream in the Western countries is more open than its Polish branch because it is somewhat fated to engage in polemics with heterogenic movements – with the post-Keynesians, neo-Marxists and 'old school' institutionalists. There, the United States included, a certain renaissance of interest in these trends is observed. Several years ago Paul Krugman (1997) asked the 'postulate' question: *Why aren't we all Keynesians yet*? I would like to remind you too that even the London-based *The Economist* reported a return to Marx. Meanwhile, in Poland not only Marxism (I am obviously thinking of the Western, not the Soviet variety), but also Keynesian economics are systematically ignored if not rendered repugnant.

For these reasons, I would expect it to be more successful if the dialogue was not started on the grounds of the most general methodological framework, but in reference to more pragmatic issues. For one can count on a certain schizophrenic split of the neoclassical economist. After all, many of them 'profess' this unrealistic paradigm, while at the same time they participate in discussions and empirical research that are very distant from their paradigm. And it is the sociologists, who are involved in various aspects of the economy that somewhat feed on the limitations of mainstream economics, that have a lot to offer in this area.

Hereunder, I would like to focus on several areas, that could presumably be of interest to both economists and sociologists.

2. Variety of Capitalism

The outset has already been done for one important issue. And it is more suitable for dialogue than Etzioni's concepts. This beginning has been set by the book by economic sociologist Michał Federowicz: *Różnorodność kapitalizmu* (*Variety of Capitalism*) (2004), although it can rather be classified as 'literary theory' book than an analysis of the real diversity of capitalism. It conveys an exaggerated impression that 'VoC' (the abbreviation comes from the title of the book *Varieties of capitalism*, 2001, ed. by P.A. Hall and D. Soskice) is a new school. Meanwhile, the novelty mainly involves putting together the efforts made by sociologists, political scientists and economists in research on various 'capitalisms'. To the detriment of the analysis, Federowicz ignored the comparative economics to date, which has a rich literature, and from the very beginning, even in the phase of the domination of the capitalism-socialism (communism) opposition, was necessarily more open to institutions and other social disciplines than mainstream economics, even if it did not use the terminology specific to institutionalism.

From the point of view of the proposed dialogue, Fedorowicz's book has two advantages. It refers to Western research models that are interdisciplinary in character. Secondly, it addresses the described variety of capitalism in the Western world to transforming countries. This is announced by the *book's sub-heading: Instytucjonalizm i doświadczenie zmiany ustrojowej po komuniźmie* (*Institutionalism and Systemic Change after Communism*). What is equally important, he includes in his book four varieties of institutionalism to which sociologists, political scientists and economists can relate.

Regardless of the reservations that can be made, the book is something completely new in Polish literature and discussing it may trigger further research. This role is played by comparative books close to the subject, namely *Systemy Ekonomiczne* [*Economic Systems*] (2004) by Sławomir Kozłowski, or by the author (Kowalik 2000; Kowalik 2005), and also *Socjologia ekonomiczna* [*Economic Sociology*] (2001) by Witold Morawski. They were all rather focused on the presentation of the state-of-the-art knowledge, and not on research problems. Morawski's book has many advantages. For instance it pays much more attention than Federowicz's to the problem of distributive justice and the welfare state. It does not, however, direct its research interests to the existing forms of capitalism as certain internally coherent wholes. And if the term capitalism is used in it, it is always in the singular, as early or mature capitalism. Federowicz gives a recount of Western definitions of social and economic systems, focusing on the fact that 'realistic economic order is to a great extent determined [the word determined would sound better here] by the realistic political order. In these two institutionally grounded systems of dependence … they are in general determined by a political system of dependence' (Federowicz 2004: 232). It in a way makes economists if not cooperate than at least draw on sociologists' and political scientists' output[1].

3. Between Sweden and the United States

For some reasons the systemic variety of modern capitalism is important for Poland and the scientific community in Poland. This is not the place to cite the conditions in which the decisions with far-reaching consequences determining the shape of the new social and economic system were taken in 1989. Although the nine-person group of government experts took a study trip to Stockholm and wrote an extensive Report showing the potential for following the Swedish way, the document has been completely ignored. Similarly, Prime Minister Tadeusz Mazowiecki's declarations who explicitly supported *social* market economy and searched for its founder, 'his' Ludwig Erhard made no impression and had no decisive effect. There were individuals who suggested following in the steps of East Asian tigers (K. Łaski). Unfortunately, neither the public power nor the community of economists were mentally prepared for such choices.

But even later, social attitudes and opinions have been assessed in the light of one, most frequently Anglo-Saxon economic system. A good example here is the reaction of a sociologist to the CBOS poll that showed that over 80% of Poles favored a welfare state that would interfere with the market by limiting the wages of those

[1] Federowicz's book, possibly in an unintended way, shows hardships of such a cooperation with mainstream economists. The foreword was written by Marek Góra whose ideas are dominated by the original way of understanding globalization in the spirit of K. Ohmae and his stateless global capitalism. He expects that 'on the one hand, the role of the state as redistributor will be decreasing …, and, on the other, the role of the state as creator of non-state order will be increasing' (Ibid., at 12). The proposal of discussion that follows this line on how to replace the welfare state and the European social system with something more modern is significant here. Federowicz is not far from the idea of rejecting the welfare state (even when discussing the social market economy in Germany he addresses it to the Social Democrats, failing even to mention the constitutional guarantee of a social state as early as the year 1949). He understands, however, the role of nation states differently forecasting a long future for them. He even writes explicitly that there are no convincing arguments to prove that it is dying off.

who earn the most. Mirosława Grabowska found that to be impossible habits dating back to the communist times, adding that 'it seemed to us we would work like in socialism and earn like in the USA' (after: Sadłowska 2003). Meanwhile countries with a well-operating welfare state that interferes with the income and market wages not only exist, but also have the highest rankings among knowledge-based economies (all Scandinavian countries). Similarly, Juliusz Gardawski popularized in some of his research the concept of limited workers' consent to the market order (Gardawski 1996). He revealed that 'friendly market economy' was their ideal (Gardawski 1994). He did not treat it, however, as remaining in the area of realistic choices. That is why he stressed that the idea is to be more of a direct consent to the then emerging form of market order perceived in the category of something necessary. If the range of choices was known, for instance between the actual Anglo-Saxon system, social market economy or the Swedish experience, sociologists would have formulated their questions in a different way and answers would have been different.

4. Diverse Union

Today we should be concerned about being wiser having committed the mistake. We are once again facing a choice. Poland has joint the European Union with the dominating conviction that either it is now already a 'single economic organism' or (less optimistically) it becomes one very quickly. Meanwhile, there are several forms of capitalism operating in the European Union. We must therefore decide, which one will be our model.

During its long history, a united Europe has been and remains very diverse in terms of its social and economic systems. In his book (1993), Michel Albert underlined that even the six founding states, which were at similar levels of economic development, have very serious systemic differences. The author of the book *Capitalism Against Capitalism* claimed that there is a severe fight going on between what he called the 'Rhine' and 'Anglo-Saxon' models. Over the last dozen years, the European Union has become even more diversified as a result of its territorial expansion. This was the result of two waves of accessions. In 1995, Austria, Finland and Sweden acceded to the EU. A lot points to the fact that these countries' systems have lost little of their identity. In 2004 and 2007, the European Union increased by accepting twelve new members of which ten brought in their post-communist heritage. These countries are still in the phase of looking for their systemic identity.

It may have been this increase of EU's systemic diversity that has stimulated a new research trend. Even in early 1990s such works as those written by Michael Albert or Susan Berger and Ronald Dore (1996) were exceptional. Today the diversity of 'capitalisms' has become the subject of systematic research, most of which focus on Western Europe. Two English language publications stand out here: a book by Peter A. Hall and David Sockice *Varieties of Capitalism* (2001) exploited by Federowicz and a more recent on by Bruno Amable, *The Diversity of Modern Capitalism* (2003). Their research does not show that a single economic organism is about to be formed. Two-way processes are rather observed – convergence and divergence.

It is Bruno Amable who presents in his book the most developed classification of economic systems in the EU. He singles out five 'types of capitalism' based on the following comparative criteria: product competition on the market, work and pay, financial sector, social care, education. Asian capitalism excluded, since it is not of interest to us, instances of the remaining four can be found in the EU. They are: *market-based* (Great Britain, Ireland), *social democratic* (Denmark, Finland and Sweden)[2], *Mediterranean* (Spain, Greece, Portugal and, in particular southern, Italy) and the more diversified that the previously enumerated ones, the *Continental* model (Germany, France, Austria, Belgium and the Netherlands).

It is not known how Amable would deal with the classification of recently integrated Central European EU members. Considering their diversification, the terms 'post-communist' or (according to the terminology of international financial institutions) 'emerging markets' would be rather evasive.

Several questions can be asked here. Is the co-existence and rivalry of various types of capitalism a symptom of immaturity? Is it a result of incomplete integration process? A handicap the EU should get rid of? The author hereof thinks to the contrary. The precondition for the European Union to last is to maintain its institutional and organizational diversity. In To support this concept, I draw on the opinion of one of the leading British economists, the Noble Prize winner, James Meade. He finds systemic diversity to be a value that is worth defending.

It is both possible and highly wanted. He also believed that 'It is unlikely that all European countries would select exactly the same set of arrangements'. The economist lists many organizations and areas of economic activity, which can and should maintain their diversity. These are: private companies, ownership, national resources management, taxes on capital, income, consumption, social benefits, environment pollution fees. Meade found it to be an important research task to find

[2] Obviously alongside non-EU members Norway and Iceland.

the answer to the question 'how far and by what international means can diversity of experiments in different national economic institutions and policies be made compatible with freedom of movement of goods, capital and people between the member States of the Community' (Meade 1993: 98–99). In the essay on Building of the New Europe: National Diversity versus Continental Uniformity, Meade directly and categorically opposed the centralizing and unifying tendencies of the EU because 'there is need for much experimentation in developing liberal capitalist economies. Neither the extreme Thatcherism of the United Kingdom nor even the successful Social Market in Germany can be regarded as the end of the road in search of the best form of liberal economy'. Considering the 'an inifinity of various diverse ways in which the production of goods and services may be organized, planned and managed' (Ibid. 193)[3] he claims that 'It would be a grave obstacle to progress if search for new solutions was possible in a uniform way' (Ibid.). It is therefore worth discussing if maintaining the freedom of EU members to choose institutional and organizational forms favors social and economic progress.

5. Integrationists and Cooperationists

Two groups can be distinguished in the debate in Poland about the present and future system of the EU. At the one end there are the 'integrationists', those who imagin the Union as a single superpower and single economy. A positive answer is given by a rather large number of economists of various ideological parties. A long time ago, one of the creators of the Balcerowicz Plan, Marek Dąbrowski, claimed that 'Poland will be heading towards the European Community's state, economy and social policy … This will determine the model of capitalism in Poland in ten or twenty years' (as cited in Pajestka 1994: 130). Grzegorz Kołodko similarly claims today that 'with time Polish economy will be operating as market economies of the European Union do, although for some time with certain shortcomings … we are introducing a market economy that follows the rules in force in the European Union' (Kołodko 2003: 32).

It was one of the basic arguments for the accession. Both economists and politicians believe that the larger the economic organism, the more effective it is. EU representative Guenter Verheugen argued: 'Membership in the EU gives an

[3] In some works he developed the vision of Agathopia defined as a system that joined, as he would put it, the best features of socialism and capitalism.

unlimited access to the world's largest consumer market; a large common market creates economic dynamism – along with concurrent growth and jobs … [and reduction – TK] of differences in levels of life in Europe by identifying areas with poorer economic conditions and by investing there on a large scale' (Verheugen 2002).

This opinion is perhaps most distinctly pronounced by the editor-in-chief of the ever more influential quarterly *Krytyka Polityczna*, Sławomir Sierakowski (2003): 'Poland should care about as integrated a Union as possible for the same reasons for which we wanted accession at all. The more the Union resembles a single super-state, where the importance of citizens rises at the expense of national states, the more it will be solidary and the more poorer nations will benefit'. Sierakowski managed to collect under this declaration an impressive list of names of many intellectuals who share this opinion.

At the other end are 'cooperationists' who would like to stop the integration at today's level and content themselves with close cooperation of sovereign states. Such opinions are not exclusively voiced by Polish nationalists whom integrationists deride as parochial.

Here is what Vaclav Klaus (2003) said to Polish journalists on the eve of his visit to Poland: 'The EU is like a speeding train that runs forward and I don't see it possible to change the direction the train has taken, although I find it wrong in principle … my assessment based on the analysis of trends on where the EU is heading remains in conflict with what I would wish for. I would like to see the intergovernmental character of cooperation of European countries maintained and would rather we did not fall into the supremacy of the supranational model'[4]. It is well-known that Klaus found the Kaczyński brothers to be his closest allies.

Although, I share neither Klaus's, nor, all the more, the Kaczyńskis' ideals or politics, their opinion on the economic and systemic limits of the European integration are closer to mine than that of my numerous leftist friends. They seem to disregard a very important fact that the process of the EU integration is being mostly a negative one, abolishing one after another, obstacles to free market. Hitherto deepening the integration means more market. I wouldn't mind a positive integration based, for example, on the Scandinavian experience. Which is, for the foreseeable

[4] Klaus has even indicated the groups of interest most interested in 'deep unionisation of Europe. On the one hand these are politicians who are used to having breakfast in Venice, lunch in Paris and dinner in Stockholm and on the other these are the Euro-bureaucrats. Both these groups obtain benefits from deepening European integration. I think that a definite majority of Europeans has no interest in it, but cannot influence it' (Ibid.).

future beyond the reality. That is why I have pointed many times to the limits of European integration.

6. Euroland – Trap or El Dorado

Today the issue of progressing integration is discussed in the categories of faster or slower accession of Poland to the common currency area. It is understandable, because accepting a common currency is the most radical step towards the systemic economic integration of the Union undertaken since the Maastricht Treaty. The strongly encoded political correctness of the economist community is expressed in persistent argumentation in favor of the fastest possible accession to the Euroland. Procrastination is rather characteristic of politicians, for which they are systematically reprimanded by journalists.

There are not many who dare to question the sense of accession to the Euroland in principle, when they could actually refer to the opinions of the Coryphées of mainstream economy. Here is the message of the most distinguished representative of the Chicago school, the Noble Prize winner Gary S. Becker. He addressed the following advice to Poland and the Polish people: 'You should not join the euro zone or should delay this accession as much as possible … Poland needs flexibility at the current stage of development, and it will not be provided by using the same currency as the one used by much more developed economic partners' (Becker 2006).

It is at the same time interesting, that both he, and the second father of the Chicago school, the late Milton Friedman (1997) in a more developed form refer to the positive example of 'dollarland', that is the United States, as the argument against the euro as a common currency for the EU. Let us have a look at his argument dating back to the period preceding the foundation of the Euroland. The residents of the US, despite the fact that they comprise 50 states 'in majority speak the same language … can and do move freely from one part of the country to another, there is also a free flow of goods and capital from state to state, wages and prices are restrainedly flexible, the federal government... spends more or less twice as mach as local governments. There are differences in the tax policy of the states, but they are inconsiderable …' (Friedman 1997). The author reminds that the oil shock of the 1970s resulted in a boom in some states, for instance Texas, and in unemployment and a slump in the Midwest. These differences were quickly alleviated by 'the movement of people and goods, by financial flow from the federal government to the state and local authorities as well as by adaptations in prices and wages' (Ibid.). The single European market is in many regards an example of an 'opposite situation', which does not favor the introduction of a single currency.

The differences that he enumerated include a continuously separate national identity expressed in a stronger loyalty towards one's own country than towards Europe, language and customs diversity, a less free flow of goods and capital, and in particular work force, more stricter than in the US industrial and job market regulations. 'The European Commission... actually spends a small part of total budgets of each member state. They are … the important political entities'. For these reasons, counteracting any shocks in a given country would be much easier using changes to exchange rates.

Friedman perfectly foresaw that the introduction of a common currency will bring about effects opposite to those intended. 'It will intensify more political tensions by transferring diverging shocks on political issues, while these could have been instantly alleviated with the exchange rate mechanism. Political unity can pave the way for monetary unity. The monetary unity introduced in unfavorable circumstances will turn out to be a barrier to achieve political unity' (Ibid.). As early as in the 1990s, he noticed the wisdom of the British in the conditions of the partial regulation of the monetary market. 'The British economic growth after the country left the European monetary system... and floated the pound, illustrates the effectiveness of the exchange rate as an adaptation mechanism' (Ibid.). Becker also claimed that Great Britain is lucky to stay outside the Euroland and that some other members would be happy to leave it. He could add that it was the main reason for which Britain succeeded in avoiding the recession of the first years of this decade.

Not only Friedman but also many others claim that the introduction of the euro was motivated by political issues rather than economic ones. We will add that if the second reason was decisive, than before it was introduced, there would have been an effort to introduce an EU minimum of tax policy, which would presuppose an increase of the EU budget. This would be difficult, however, and less politically spectacular.

Neither of the two authors addresses the issue of Euroland membership of countries at the medium level of development. Poland with its high unemployment would be exposed to much greater difficulties than the countries of the old Union. But this an issue for a different paper. The goal of this one was to indicate it to economic theoreticians that the level of integration achieved even today seems to be premature, which was manifested in the chaotic way in which various countries adapted to the effects of recession. One could risk a thesis that the EU has not appreciated the durability of systemic diversity of economies within the Union. All the more, it is a bad policy to introduce countries at a lower level of development than Portugal and Greece to Euroland.

7. Area of Choice

Over the recent years, or even decades, when the EU countries were divided into two groups, the issue of the choice of a system became particularly important for the new EU members. The economies of large countries in the Union, in particular Germany, but excluding Britain, are characterized by a low growth rate and high unemployment. They are accused of 'eurosclerosis'. On the other hand, several small economies are doing quite well, and some impress. These are: Finland, Sweden, Denmark and Ireland. The Netherlands are one of them to a certain extent. The first three listed surprised the world in the first years of the 21st century taking the first places respectively in an international ranking of 'knowledge-based economies' For they have proven to be more mature in the high-tech production industries overtaking in this area even the motherland of the information revolution, the US.

They have reached it against the frequently repeated opinions about the negative influence of the high level of social spending and worker rights on effectiveness and economic growth. High spending and equally high taxes have not jeopardized the economic success of the Scandinavian countries. This has drawn the attention of two Austrian researchers Karl Aiginger and Michael Landesman (2002). They write in a study devoted to competitiveness of the US and the EU: 'It would be interesting to analyse why Sweden and Finland – and, with some qualifications – Netherlands and Denmark invested into the 'growth drivers' while many other countries did not. And whether a 'new European model' is coming up, not defined by welfare and comprehensive social coverage only, but by investment into and fast diffusion of new technologies … Let us enumerate what these countries share: all of them are small countries, geographically in the north of Europe, economies open to world trade, policy is to some degree consensual, with an egalitarian touch in income policy … None is low costs country, all have rather high taxes and did face serious problems at some time in the early 1990s (afraid of losing markets or competitiveness). This is a parallel to the US fear in the early 1990s to lose competitiveness to Japan' (Aiginger, Landesman 2002: 56–57). The authors call these four countries the 'centres of excellence in Europe' and – again – they are deliberating over their chances as the 'new model for Europe'.

These authors admit that the economy of Ireland has also succeeded, at least in strictly economic categories. And it achieved it in a different way – by the reduced social transfers and making labour market flexible. Impressive results were brought about by greenhouse conditions for direct foreign investments in wisely chosen, top high-tech sectors combined with efficient use of EU aid funds. The question to what extent the case of Ireland is unique cannot be avoided. A small, English-speaking country could in an unrepeatable way take advantage of the fact that large international corporations, chiefly American-based, wanted to have an export bridgehead for Europe, and likely a comfortable place to reduce taxes. A significant part of Ireland's national income is transferred out of the country. This indicates that it is an immense, unparalleled in other countries, difference between Ireland's Gross Domestic Product and Gross National Product of 20%. Ireland has also started modernizing before the Maastricht and Amsterdam Treaties became life. It could therefore use many intervening tools that later were banned by the Union.

All this makes new post-communist member countries face a fundamental choice of what type of capitalism they want to develop at home and in what direction they want to go and cooperate with the old and new EU members. This requires a serious discussion.

8. Market and Mixed

If the co-existence of various types of capitalism is admitted, it should be easier to accept Joseph Stiglitz's opinion about modern capitalist economies. He claims that they are not market economies but rather mixed economies. As early as his Helsinki lecture (1998), he argued that modern economies are subject to two main regulators, the market and the state. He even stressed that it would be erroneous to consider the state to be a worse regulator by nature than the market. And even the American economy that is the closest to the free market model is a mixed economy. This is how he dealt with it in the textbook Economics of the Public Sector (Polish edition: Ekonomia sektora publicznego 2004), where the first chapter is entitled The Public Sector in a Mixed Economy, and one of the internal titles is Mixed Economy in the United States. In his book The Roaring Nineties (Polish edition: Szalone lata dziewięćdziesiąte, 2006) he presented a long list of signs of hypocrisy of the American establishment. It proposes (even sometimes coerces) many recommendations based on the free competition model[5]. At home they practice a protectionist or intervening economic policy. This should make our supported of the Anglo-Saxon model think.

If the fact that there are mixed economies in the modern world is accepted a new field of debate and research opens. A question arises, what decides about this or another mix? The answer of the supporter of the theory of public choice will focus on the interests of various groups and levels of the society. But will these interests always, to what extent and with what collide? The book published by David Ost (2007) makes as pay attention to the role of ideas that happen to dominate. Here are a few sentences by an American political scientists who indirectly restores the Keynes – Stiglitz ideas: 'Discussing in this book the weakness of the labor in Poland, I underlined the role of ideas… I prove that the working people in post-communist Poland, did not know how to defend their interests or present their program, because the leaders and rank-and file unionists were ardent believers in pro-market ideas … [The theory of rational choice is based on the idea that] 'groups are fighting to implement their interests, but I have proven that it happens to be quite contrary. Union leaders enforce a policy that at the end of the day inevitably weakens the influence of the unions, council members support privatization strategies as a result of which the [worker] councils cease to exist, unionists speak for weaker unions (especially in private companies), workers deprived of protection support programs favoring 'faster' introduction of market relations – surely we are dealing here with something different than private interest in the rational sense of the word' (390–392).

In this light it is understandable, why Stiglitz in his Noble Prize speech (2001) drew on the last fragment of Keynes's General Theory … that proves that ideas rule the world to a much larger extent that it is generally supposed. Drawing on these

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[5] In such industries as transistors, computers, lasers, satellites, which determine today's scientific and technical revolution, public agencies played and continue to play an important role. Various means come into play, such as subsidies, direct research for military and civil purposes, Pentagon procurements and commissions, and far-reaching customs protection (for example to prevent the economic invasion of Japanese companies and products). In reaction to Alan Greenspan's (head of the Federal Reserve Bank) paean to the free market, which he credits for success in such sectors as the internet, computers, information processing, lasers, satellites and transistors, Noam Chomsky comments: "It is an interesting list of textbook examples of creation and production in the public sector. As far as the internet is concerned, it has for thirty years been designed, developed and financed in the public sector, mainly in Pentagon, and later within the National Science Foundation… . Consumer's choice was close to zero here. This also refers in the decisive stage of development to computers, data processing and all the rest, unless the government is understood to be consumer' (Chomsky 1999: 13–14). Chomsky based his argument on reports and publications of government institutions.

assumptions, he himself formulated an exceptionally harsh evaluation of the 'shock therapy' as the method of transition from socialism to capitalism[6].

Both Keynes, and Stiglitz who follow in his footsteps have proven their greatness by attributing the decisive role not to economic theories, economists, but to ideas. At the same time they have sent us, the economists on this important issue to look into other social disciplines.

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[6] In the summary of his observations as the deputy of the World Bank, he said: "I have argued that sustainable development, and sustainable reform, are based on changes in ideas, interests, and coalitions. Let me repeat that such changes cannot be forced. Changes in ways of thinking often take time. That is why the approach to reform based on conditionality has largely failed (…). That is why the Bolshevik approach to changing society – forced changes from a revolutionary vanguard – has failed time and time again. The shock therapy approach to reform was no more successful than Cultural Revolution and the Bolshevik Revolution' (Stiglitz 2001: 30, italics as in original).

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